

## Message Text

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12

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AGR-20 SWF-02 COME-00

TRSE-00 CIAE-00 DODE-00 INR-11 NSAE-00 PA-04 RSC-01

USIA-15 PRS-01 SP-03 STR-08 DRC-01 /114 W

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R 090545Z SEP 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4041

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY SINGAPORE

USMISSION EC BRUSSELS

UNCLAS CANBERRA 5882

PASS: AGRICULTURE FOR MEEKER AND HURT.

EO 11652: NA.

TAGS: EAGR, ETRD, EGEN, AS, MY.

SUBJECT: LONG TERM SUGAR CONTRACT WITH MALAYSIA.

1. MINISTER FOR NORTHERN DEVELOPMENT, DR. REX PATTERSON, SIGNED A MAJOR NEW SUGAR SUPPLY AGREEMENT BY EXCHANGE OF LETTERS WITH MALAYSIA ON SEPTEMBER 6. THE PREVIOUS AGREEMENT NEGOTIATED IN 1973 FOR THE PERIOD 1973/77 HAS BEEN SUPERSEDED BY NEW AGREEMENT WHICH COVERS THE PERIOD 1975 TO 1980 INCLUSIVE, AND PROVIDES FOR DELIVERY OF AT LEAST 1.65 MILLION METRIC TONS OF RAWS OVER THE LIFE OF THE AGREEMENT. THIS IS A SUBSTANTIAL INCREASE IN AVERAGE ANNUAL DELIVERIES FROM ABOUT 70,000 TONS PER ANNUM TO ABOUT 275,000 TONS.

2. STEPS TO RENEGOTIATE SUGAR SUPPLY AGREEMENT WERE INITIATED BY MALAYSIAN PRIME MINISTER DURING WHITLAM VISIT EARLIER THIS YEAR, APPARENTLY BECAUSE OF FEARS THAT THAI SUGAR MIGHT NOT COME FORWARD AS READILY AS IN THE PAST. MALAYSIAN IMPORTS IN RECENT YEARS TOTALLED ABOUT 340,000 TONS PLUS, AND CONSEQUENTLY AUSTRALIA WILL NOW SUPPLY THE BULK OF ITS REQUIREMENTS. IT IS UNCLASSIFIED

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ANTICIPATED THAT SMALL QUANTITIES OF REFINED SUGAR WILL CONTINUE

TO BE SUPPLIED BY PRC.

3. NEGOTIATIONS WITH UNITED KINGDOM ARE STILL CONTINUING, AND FINAL OUTCOME WILL DEPEND ON DECISION BY EC COUNCIL OF AGRICULTURE MINISTERS SPECIAL MEETING NOW SCHEDULED FOR SEPT. 17-19. AUSTRALIA HAS GIVEN UK AN UNDERTAKING TO SUPPLY 200,000 TONS FOR DECEMBER/JANUARY SHIPMENT IF AGREEMENT IS REACHED ON LONGER TERM SUPPLY OPPORTUNITY FOR AUSTRALIA IN LINE WITH QUANTITY SUPPLIED UNDER PREVIOUS COMMONWEALTH SUGAR AGREEMENT. GOA OFFICIALS HOPEFUL THIS WILL LEAD TO FAVOURABLE DECISION, BUT NEVERTHELESS REALIZE THAT COMMON MARKET SUGAR WOULD HAVE PRIORITY IF AVAILABLE.  
GREEN

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, TRADE AGREEMENTS  
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**Copy:** SINGLE  
**Draft Date:** 09 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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